

CA24N
IA 30
-79H27

Government
Publications

HEARST TO SMOOTH ROCK FALLS LOCAL GOVERNMENT STUDY

FINAL REPORT
MAY 1979



Ontario

Ministry of
Intergovernmental
Affairs

HEARST TO SMOOTH ROCK FALLS LOCAL GOVERNMENT STUDY

FINAL REPORT
MAY 1979

Prepared By:

Frank Nicholson
Local Government Organization Branch
Ministry of Intergovernmental Affairs

Une version française
de ce rapport est disponible

HEARST TO SMOOTH ROCK FALLS LOCAL GOVERNMENT STUDY

BOUNDARY RECOMMENDATIONS



Cartography by The Ministry of Treasury and Economics

TABLE OF CONTENTS

Preface	v
Background	1
Hearst Area Recommendations	3
Kapuskasing Area Recommendations	14
Haggart Township Recommendations	25
Other Recommendations	34
Conclusion	39

Appendices

A. Financial Analysis	43
B. Analysis of Some Hypothetical Servicing Arrangements for Wyborn	63
C. MTC Local Roads Boards Programs	65
D. List of Briefs	69



Digitized by the Internet Archive
in 2024 with funding from
University of Toronto

<https://archive.org/details/39262609050233>

PREFACE

The publication of this report marks the completion of a two-year study of local government institutions in the area along Highway 11 from Hearst to Smooth Rock Falls. The study was undertaken by the Ministry of Treasury, Economics and Intergovernmental Affairs (predecessor to the present Ministry of Intergovernmental Affairs in 1977) in response to local requests for annexation studies.

An interim report was released in March 1978. The report presented for discussion purposes a number of options for altering municipal boundaries. Briefs were invited from all interested parties. While some of the options, such as the merger of Val Rita and Kapuskasing, have received no public support, others, such as the expansion of the Town of Hearst, have received some measure of support. Councils and residents have said, however, that they want to know more about possible tax effects before making up their minds.

The financial analysis found in Appendix A of this report is designed to supply the required information.

The analysis does not attempt to predict what actual tax bills will look like in future years. This will be determined by the priorities set by local councils and agencies.

The objective of the analysis is limited to isolating the net tax impact of the so-called "uncontrollable" effects of boundary changes. The latter include assessment shifts, unavoidable expenditure increases and grant eligibility changes.

The results of the analysis suggest that the recommendations contained in this report could be implemented without significant tax increases for residential properties in the Hearst and Kapuskasing areas. Indeed, the indication is that decreases would be the rule in these two areas. On the other hand, there undoubtedly would be substantial increases for properties in Haggart township. The jump would be particularly dramatic for the public school supporters because they do not presently pay any school taxes. Transitional millrate adjustments and transitional financial assistance from the Province are recommended as ways of phasing in the increases in Haggart.

The final report of the Hearst to Smooth Rock Falls Local Government

Study is a staff document and not a statement of Government policy. Any action to implement the boundary or other recommendations would come through decisions made by the Government of Ontario in consultation with the local leaders in the Hearst to Smooth Rock area. Comments on the report should be addressed to the Honourable Thomas L. Wells, Minister of Intergovernmental Affairs, Queen's Park, Toronto.

Copies of the report are being made available at municipal halls and public libraries throughout the study area. Copies may also be obtained from the Communications Group, Ministry of Intergovernmental Affairs, Frost Building South, Toronto, Ontario M7A 1Y7.

The author is very grateful to the host of local and provincial officials who have provided assistance in the course of the study.

BACKGROUND

Boundary History

The 1960s and early 1970s saw numerous changes in the municipal map of the north of Cochrane District. The Town of Kapuskasing, the Town of Hearst and the Township of Fauquier undertook major annexations. The Township of Kendrey amalgamated with the Town of Smooth Rock Falls. The hamlets of Val Rita and Harty were incorporated as the Township of Owens, Williamson and Idington; the hamlets of Val Cote and Mattice, as the United Townships of Eilber and Devitt; and the hamlet of Opasatika, as an improvement district.

Further Changes

This flurry of activity did not prevent consideration of further changes, however. In 1975 the Township of Shackleton and Machin applied to the Ontario Municipal Board to annex the unorganized township of Haggart; a counter-application was filed by the Town of Smooth Rock Falls shortly thereafter. In 1976 the residents of the community of Jogues southwest of Hearst inquired into the possibility of incorporation as an improvement district.

Also in 1976 the Ministry of Housing received an application for the removal of the Township of Eilber and Devitt and the Township of Owens, Williamson and Idington from the Hearst and Kapuskasing District planning areas respectively and their inclusion with the Improvement District of Opasatika and twelve geographic townships as the "Missinaibi Rural Planning Area." Finally, in 1977 the Council of the Town of Hearst adopted a resolution calling on the Government of Ontario to conduct a study "to determine the advisability of annexing the communities of Hallebourg, Ryland and Wyborn."

Study Launched

With the support of the two municipalities concerned, the then Treasurer of Ontario and Minister of Intergovernmental Affairs the Honourable W. Darcy McKeough, deferred the O.M.B. hearing of the Haggart annexation applications pending a ministry study of the broader issues. Subsequently, upon receipt of the Hearst resolution, this study was merged in a comprehensive study of local government institutions in the entire area from Hearst to Smooth Rock Falls. "The purpose of the study," the minister indicated, "will be to look for improvements in

boundaries and organization which would put local leaders in a better position to meet the future service, planning and political needs of the residents."

The responsibility for carrying out the study was assigned to Frank Nicholson and David K. Martin of the ministry's Local Government Organization Branch.

Interim Report

Following a series of meetings with local councils and residents, the study team released a 150-page interim report in March 1978. The first twenty pages identified the problems facing the study area and presented alternative solutions, discussing the pros and cons of each. The remainder of the report consisted of a "research appendix" giving detailed information on the population trends, development prospects and local government services and structures in the area.

A round of local meetings to discuss the interim report was held over the summer and fall of 1978. Most of the municipalities and two of the residents' groups in the study area responded to the report's call for briefs at that time. Various provincial ministries also provided

comments. The District 16 office of the Ministry of Transportation and Communications prepared an analysis of the transportation implications of the various boundary options in the report.

Financial Analysis

The analysis of the financial implications of possible boundary changes was prepared with the help of the North Bay office of the Ministry of Intergovernmental Affairs early in 1979. At the same time, a report on water and sewer servicing in Wyborn was prepared by the Ministry of the Environment on behalf of the local government study in the wake of discussions with the Town of Hearst.

HEARST AREA RECOMMENDATIONS

RECOMMENDATION 1: THAT THE TOWN OF HEARST BE EXPANDED TO INCLUDE THE GEOGRAPHIC TOWNSHIPS OF LOWTHER, WAY, HANLAN, CASGRAIN AND KENDALL.

RECOMMENDATION 2: THAT CONSIDERATION BE GIVEN TO HAVING THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS CONTINUE TO LOOK AFTER THE ROADS IN THE ANNEXED LOCAL ROADS BOARDS AREAS ON A TRANSITIONAL BASIS BY MEANS OF A CONTRACT WITH THE TOWN OF HEARST.

RECOMMENDATION 3: THAT FOR THE PURPOSES OF THE FIRST ELECTION HELD AFTER THE RECOMMENDED BOUNDARY CHANGE, THE TOWN COUNCIL CONSIST OF SIX COUNCILLORS ELECTED FROM A WARD COMPRISING THE PRESENT TOWN PLUS WYBORN, ONE COUNCILLOR ELECTED FROM A WARD COMPRISING THE PRESENTLY UNORGANIZED TOWNSHIPS OF LOWTHER AND WAY (EXCLUSIVE OF WYBORN), ONE COUNCILLOR ELECTED FROM A WARD COMPRISING THE PRESENTLY UNORGANIZED TOWNSHIPS OF HANLAN, CASGRAIN AND KENDALL, AND A MAYOR ELECTED AT LARGE, FOR A TOTAL OF NINE MEMBERS; WITH THE COUNCIL TO REVERT TO A COMPLETELY AT-LARGE SYSTEM FOR SUBSEQUENT ELECTIONS UNLESS APPLICATION IS MADE TO THE MUNICIPAL BOARD FOR A WARD SYSTEM.

Introduction

The principal conclusion to emerge from the interim study report was that the present system of local government in the Hearst to Smooth Rock area was functioning fairly effectively overall.

"There is absolutely no question of a crisis. Nothing in the public meetings, in the informal discussions with local people or in the detailed research suggested fundamental dissatisfaction with the status quo."

The Problems

Nonetheless, certain problems were seen in the unorganized part of the Hearst Planning Area. The planning area had been established in 1969 for the Town of Hearst, the Township of Eilber and Devitt and the unorganized townships of Lowther, Way, Hanlan, Casgrain and Kendall. There were 1,833 people living in the unorganized townships in 1976.

Human waste from the fifty or so homes located immediately to the west of the town in Way township was polluting the Mattawishkia River (the town's water supply), and the town council was unsure whether to include capacity for servicing the area in the expansion of Hearst's sewage lagoon. Homeowners in the

communities of Wyborn and Jogues (Way township) and Hallebourg (Kendall township) were unable to get fire protection. The Ministry of Natural Resources office in Hearst did what it could when homes outside the town caught fire, but the ministry had neither the mandate nor the equipment to fight structural fires.

Effective planning controls were lacking. A provincial order made under sec. 17 of The Public Lands Act had not been enforced. No fewer than 125 unauthorized mobile homes and 25 permanent residences had been established in the geographic townships between 1972 and 1977.

The interim report pointed out the danger of uncontrolled development in unorganized territory. The homes in communities like Wyborn and Mattice had been built on lots too small for individual sewage disposal systems. The resulting contamination of the water supply could only be corrected at great expense to both the residents and the provincial government.

Current Situation

The problems around Hearst remain despite some recent developments. A private sewage lagoon has been installed in the trailer camp located on

the north side of Highway 11 just outside the town's boundary. However, the system has not met all of the Ministry of Environment concerns, and the pollution from Wyborn continues unabated.

Wyborn residents now have a fire protection agreement with Hearst. However, the continuation of the arrangement will depend on the priorities of future town councils and on the ability of the residents to raise \$1,800 annually by voluntary means. A private citizen recently placed a used fire truck on his farm in Hallebourg, and the residents of Jogues and Coppell have discussed the possibility of receiving a "fire pack" (a portable pump, protective clothing, axes and ice augers) from the Ministry of Northern Affairs under the Isolated Communities Assistance Fund (ICAF). Unfortunately, there is little prospect of meaningful protection for any of these communities without back-up from the Town of Hearst.

Planning

The very blunt zoning order made under sec. 17 of The Public Lands Act has been replaced by a more finely-tuned instrument issued under sec. 32 of The Planning Act, and the administration of the order has

been delegated by the Minister of Housing to the Hearst Area Planning Board. However, the residents of unorganized territory still lack a democratic voice on the body which is in effect governing them for planning purposes. The members of the board from the unorganized territory have been appointed by the town council subject to the approval of the Ministry of Housing.

It is not known whether the enforcement of The Planning Act order will prove effective in the long run. Many of the people who have built illegally are now pressing the planning board for severances. A recent editorial in the (Kapuskasing) Northern Times noted the parallels between this situation and the land title confusion that led to annexation of Brunetville to Kapuskasing in 1964.

Possible Solutions

The interim report suggested that the problems around Hearst could be met by extending the town's boundaries to include all or part of the Hearst Planning Area. The specific boundary options included Wyborn only (Option H-2), Wyborn, Ryland and Hallebourg (Option H-3), all of the unorganized

part (Option H-5) and all of the unorganized part plus the Township of Eilber and Devitt (Option H-6). The idea of incorporating Jogues and Coppell (i.e. the south half of Way and all of Lowther) as a separate municipality (Option H-4) was rejected because of the weak financial base that such a municipality would have.

The public response to the interim report has been mixed. While the Town of Hearst has not taken a definite position on any of the options in the report, Mayor Rene Fontaine has stated that the town "is, in principle, agreeable to municipal boundary extensions" as long as the communities involved "express their willingness towards such a move."

The Council of the United Townships of Eilber and Devitt has objected quite strenuously to the idea of amalgamation with Hearst, arguing that municipal services are already in place in Val Cote and Mattice and that there would be a danger of under-representation in a larger municipality. On the other hand, council's brief goes on to say that "in the long term, after consultation with the population, and in the event that municipal services in Mattice should cost too much, it would be appropriate to study the question again."

Many residents and property owners of the unorganized territory around Hearst expressed strong opposition to annexation at a public "open house" held at the Hearst Legion Hall in June 1978. Later, in October, however, several residents of Jogues (Way township) and Coppel (Lowther township) expressed interest in the principle of joining Hearst at a meeting to discuss fire services with representatives of the Town of Hearst, a representative of the Ministry of Northern Affairs and the study officer. The secretary of the Jogues Citizens Committee wrote the study officer to this effect on November 16, 1978.

Merger Benefits

Recommendation 1, the expansion of Hearst to include Lowther, Way, Hanlan, Casgrain and Kendall townships (Option H-5 in the interim report) would put local leaders in a position to deal with the problems in the unorganized communities.

Hearst would at last have the jurisdiction over Wyborn needed to arrange for an end to the pollution there. This could be either by tying the community into the town's water and sewer systems or through other, less expensive means.

Permanent, reliable fire protection could be immediately extended to Wyborn and Hallebourg simply by sending out a truck from the new fire station on Front Street. Protection for the part of Way township more than five miles out and for Lowther township could be provided through the establishment of a substation in the vicinity of Jogues and Coppel (subject to the residents' willingness to mount a volunteer fire brigade).

The residents of the geographic townships would have democratic representation on the Hearst Area Planning Board. This would help to assure the legitimacy of the local planning function. Effective planning controls would prevent the emergence of another health hazard comparable to that in Wyborn.

Wider Community

The new municipal unit would fit the underlying economic and social realities of the Hearst area. The residents of unorganized territory depend almost entirely on the town for employment, shopping, schools and recreation. The last type of dependency is certain to increase once the town's new Sports Complex in Hearst opens at the end of the summer.

The links also go in the opposite direction. Two out of three workers at the Newago Forest Products lumber mill twenty miles south at Mead commute from the town. Most of the cottages on Lac Ste Therese are owned by Hearst residents.

The most important reality supporting municipal expansion, however, is the recognition by all residents that a broader community exists. The issue of domination by Hearst was almost never raised as an objection to annexation in the discussions with unorganized residents over the past two years.

Municipal Capacity

Hearst appears to have the capacity to take on the responsibility for the broader area. The town would be able to draw upon its experience with the 1973 annexations of St. Pie X and Louisbourg. The town is already effectively looking after the unorganized area for planning purposes through the vehicle of the planning board. The town's new road system would be relatively large (140 miles), but still smaller than two other municipal roads systems in Cochrane District (Iroquois Falls with 175 miles and Black River-Matheson with 340 miles).

Perhaps the only potential area of weakness is the fact that, at the time of writing, the town had not yet found a replacement for its clerk-administrator, who resigned in January 1979.

Financial Effects

Hearst's assessment base would increase by a third as a result of the recommended boundary change. Municipal spending would, of course, also have to rise but not to the same extent. The reason is the presence of \$5,569,000 in commercial assessment in the annexed area, consisting chiefly of the two gas pipelines owned by TransCanada Pipelines and the Newago Forest Products mill at Mead.

The financial analysis carried out for the study (see Appendix A) indicates the Town of Hearst could take on its new responsibilities while reducing the average taxes for existing ratepayers by 19% (from \$330 to \$268 per household). The town council would have at its disposal new revenues over and above any new costs to the extent that it decided not to take full advantage of the possibility for cutting taxes in the existing town. Over \$400,000 in such revenue would be generated annually if the town maintained its existing millrate.

Assumption Questioned

While the analysis in Appendix A errs on the side of conservatism and thus probably understates the potential for tax cuts in Hearst, it does assume that municipal-type services would continue to be provided at their current level except for the construction and equipping of a fire substation in the vicinity of Jogues and Coppell.

Officials of the Town of Hearst have questioned that assumption on two grounds. First, many residents of Wyborn are apparently expecting to receive piped water and municipal sewerage once annexation takes place. Second, it is possible that the town may be confronted with demands for upgrading the 115 miles of local roads boards roads that the town would have to take over from the Ministry of Transportation and Communications.

Wyborn Services

A close examination of the Wyborn situation suggests that the potential impact of the residents' service expectations is relatively small in the context of the recommended annexation. According to the special report prepared by the

Ministry of the Environment (see Appendix B), the most expensive, and not necessarily the most appropriate, water and sewer servicing scheme for Wyborn would probably cost around \$500,000. Assuming that the project qualified for subsidy by senior levels of government, the municipal share would be \$130,000, or \$18,000 annually, if debentured for 15 years at 11% interest.

There would be no effect on existing ratepayers in the town if the town council decided to area-rate the entire \$18,000 plus the \$1,500 in operating cost to the thirty-five benefiting households in Wyborn (at \$560 per household). At the other extreme, if Wyborn residents were only required to pay Hearst's 1978 combined water and sewer rate of \$125 per year, the total cost (capital and operating) that would have to come out of local general revenues would be \$15,000 annually.

Rural Roads

The potential impact of demands for better roads is much more difficult to estimate. The Hearst Public Works Department has concluded from a preliminary survey of the condition of the six local roads boards roads in the area that annual spending on these roads could be as much as two and one half

times higher than the current level. The town treasurer states that "this may seem an astronomical figure, but considering that during the year 1978 over 50 new homes have been built in the unorganized territories, demands for better services will increase with new home owners moving in" (John Siska to F. Nicholson, April 24, 1979).

The important point, though, is that even this addition to the town's budget (\$250,000 net of MTC subsidies) could be accommodated within the margin of "uncommitted" revenue that would be available without raising taxes in the area of the present town. Taxes paid by residents of the annexed area would, of course, have to go up as the level of road service rose.

If no major service improvements were contemplated initially, the town might wish to consider asking the Ministry of Transportation and Communications to look after all or part of the annexed area on a transitional basis (Recommendation 2). The district engineer in Cochrane has indicated that the ministry would be prepared to consider a contract "for an interim period of not more than one year on the understanding that

priority is given to the MTC road system and providing no piece of equipment has to be replaced which is used exclusively for work in the municipality."

Tax Decreases

Table I (overleaf) shows the total effect that the expansion of Hearst could have on the taxes levied on the residents of the geographic townships assuming no major improvements in service levels. The comparison is between what an average resident actually paid in 1978 in provincial land tax, local roads board tax and school tax versus what he would have paid in municipal and school taxes as part of the Town of Hearst. A detailed breakdown of the various types of property taxation is to be found in Appendix A.

The general pattern is one of tax decreases, with the cottages on Lac Ste Therese (Hanlan and Casgrain townships) being the main exception. These increases may reflect difficulties in comparing provincial land tax data and school board assessment data. The decreases indicated for Way township do not include the \$30 fire protection fee that would no longer have to be paid.

TABLE 1
 HEARST AREA RECOMMENDATION
 COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Total Property Tax Burden</u>		<u>Increase (Decrease)</u>	
	<u>1978 Actual</u>	<u>Hypothetical Annexed</u>	\$	%
	\$	\$		
Hearst	330	226	(62)	(19)
Way	176	163	(13)	(7)
Hanlan				
- Permanent Dwelling Unit	193	106	(87)	(45)
- Recreational Dwelling Unit	104	120	16	15
Casgrain				
- Permanent Dwelling Unit	183	174	(9)	(5)
- Recreational Dwelling Unit	149	185	36	24
Kendall	212	209	(3)	(1)
Lowther	114	121	7	6

Note: Total tax burden includes taxation for education purposes. The figures shown are for separate school supporters, there being no material difference from public school supporters.

Representation

As noted above, the Hearst area is remarkable for the apparent absence of any strong antagonism between "urban" and "rural" residents such as is found in many communities in northern Ontario. On the other hand, the outlying hamlets undoubtedly do have somewhat different needs than people living in the town. The reason for recommending that the rural areas have two separate wards for the first election

(Recommendation 3) is to guarantee them a voice on the town council when the crucial decisions about new services are being made.

Wyborn (i.e. Lots 3-12, Concessions IX-XII, Way Township) should be included with the town for representation purposes because it is essentially overspill from the main built-up area. There has apparently been no dissatisfaction arising from the inclusion of Louisbourg and St. Pie X in Hearst's at large (i.e., no-ward) system in 1973.

Adding two rural councillors to the town's existing six (exclusive of the mayor) would respect the principle of representation by population. The 78.8% of the population in the old town plus Wyborn would have 75.0% of the

representation on council, while 9.3% of the population in Lowther-Way ward and the 11.8% in Hanlan-Casgrain-Kendall ward would have 12.5% each. The presence of a large number of cottage electors in the second rural ward is not relevant since most of them, being residents of Hearst, could only vote in the old town-Wyborn ward under the terms of The Municipal Elections Act.

Other Options

The expansion of the Town of Hearst to include all of the Hearst Planning Area (interim report Option H-6) is not being recommended at the present time primarily because of the position taken by the Council of Eilber and Devitt. Another consideration was the fact that, despite its many ties with Hearst, the main hamlet in the township, Mattice, is farther away from the town (being 20 miles out) than any of the other hamlets in the planning area.

The greater Hearst option (i.e. including Eilber and Devitt) is something to be considered in the longer term. It would produce a very solid unit of municipal government able to set priorities for the entire area. There would no longer be any necessity for a planning board separate from the elected council.

The financial implications for the residents of Eilber and Devitt seem favourable. According to Appendix A, the residents could receive a 4% reduction in property taxes (from \$172 to \$165 per household) exclusive of any reductions resulting from economies of scale as part of a larger town of Hearst. Eilber and Devitt residents might also appreciate having access in future years to the assessment base of the broader area to help meet the operating costs of the arena that is planned for Mattice.

Wyborn Only

The annexation of Wyborn only (interim report Option H-2 plus three additional lots in Way township to avoid splitting the Way Local Roads Board road network) is not recommended because it would not solve the planning and servicing problems elsewhere in the unorganized territory. Clearly, however, the case for annexing this particular area is very strong.

Agreement has already been reached between the town and the Lecours Trailer Park regarding sewer servicing, and Hearst has to know whether to include the park and

Wyborn in the design of the expansion of its sewage treatment system. The lagoon expansion has been approved by the Ministry of the Environment. Special financial assistance is currently being sought from the Ministry of Northern Affairs.

Local Services Boards

One recent development deserving comment is the announcement made in the 1979 speech from the throne that the Government of Ontario would be bringing in legislation to permit the establishment of local services boards in parts of northern Ontario lacking municipal organization.

As outlined by the Minister of Northern Affairs, the Honourable Leo Bernier, at a meeting with UCANO-East and West in Thunder Bay in March, the boards will be elected at informal "town meetings" and will provide a limited range of essential services either on their own or through contracts with individuals, municipalities or provincial ministries. The emphasis will be on self-help. A community will have to raise one dollar locally for every dollar of operating subsidy provided by the Ministry of Northern Affairs.

While the precise shape of the local services boards will not be known until legislation has been introduced at Queen's Park, it seems unlikely that the program would be suitable for any of the communities in the Hearst to Smooth Rock area with the possible exception of Calstock, twenty-five miles west of Hearst.

The local services boards are intended for small, remote communities which cannot solve their problems through municipal government. Land use controls will not be among the powers given to the boards. The Ministry of Northern Affairs advises that if there are major planning issues in a community, the community would be better off as a township or village municipality, or else merged with a nearby municipality. None of the unorganized communities in the study area has a population or assessment base sufficient to justify separate municipal status. Merger with an existing municipality thus appears to be the only viable option.

KAPUSKASING AREA RECOMMENDATIONS

RECOMMENDATION 4: THAT THE TOWN OF KAPUSKASING BE EXPANDED TO INCLUDE ALL OF O'BRIEN TOWNSHIP AND THE EASTERN HALF OF THE UNORGANIZED PART OF OWENS TOWNSHIP.

RECOMMENDATION 5: THAT THE TOWN OF KAPUSKASING, THE TOWNSHIP OF OWENS, WILLIAMSON AND IDINGTON AND THE OTHER MUNICIPALITIES IN THE KAPUSKASING AREA CONTINUE THEIR SEARCH FOR A MEANS OF ENSURING CO-ORDINATION AMONG MUNICIPAL PLANNING POLICIES.

RECOMMENDATION 6: THAT THE IMPROVEMENT DISTRICT OF OPASITIKA BE ERECTED INTO A TOWNSHIP.

Introduction

Virtually all of the inhabited territory twenty miles either side of Kapuskasing is now organized for municipal purposes. The two remaining unorganized pockets are the strip of O'Brien township running east along Highway 11 (principally Kitigan, six miles from downtown) and the cluster of homes located on Larabie's Road on the southwestern edge of the town in the unorganized half of Owens township. The latter community forms the West Riverside Local Roads

Board. Both Owens and O'Brien townships come under the jurisdiction of the Kapuskasing District Planning Board (as does the Town of Kapuskasing; the Owens, or Val Rita, part of the Township of Owens, Williamson and Idington; and Teetzel township, which is uninhabited and consists entirely of crown land).

Interim Report

The annexation of Owens and O'Brien to the Town of Kapuskasing was put forward in the interim study report as Option K-2. The pros mentioned were that the areas in question were similar in character to the large semi-rural portion of O'Brien annexed to Kapuskasing in 1964, that fire protection could be extended to the unorganized residents with little difficulty, that the town was already maintaining Larabie's Road under an agreement with the Ministry of Transportation and Communications and that the town's garbage disposal site was located in O'Brien.

The report also pointed out that the unorganized residents did not have a say in the government of the town or in the administration of the provincial development controls applicable to the unorganized part of the planning area. The

alternative of annexing the Larabie's Road community to Owens, Williamson and Idington was rejected because the only public road connection was through Kapuskasing.

Local Comment

Option K-2 was endorsed by Larabie's Road residents at a meeting held on May 24, 1978. Of thirteen persons entitled to vote under The Local Roads Board Act, eleven favoured annexation to Kapuskasing, one favoured annexation to Owens, Williamson and Idington and one wanted no change. On the other hand, no comments have been received from any Kitigan residents, and the Larabie's Road initiative has been rebuffed by the Council of the Town of Kapuskasing. The town council has taken the position that there should not be any changes in the boundaries of the town.

The council is concerned about possible friction with the residents of the area recommended for annexation. The experience with the part of O'Brien township west of the Kapuskasing River annexed in 1964 is cited in council's brief to the study officer. The brief states that residents of this part of the town "have generally been unhappy with municipal organization, primarily

due to not having the same services as the remainder of the municipality but being taxed at the same millrate."

This is apparently a reference to the appearance made at the town hall every year by a ratepayers' deputation demanding better grading, dust control, snow plowing and other services. The group's spokesman told Kapuskasing council early in 1979: "We are tired of choking on dust, and driving on a pothole and washboard infested roads" (Northern Times, January 10, 1979).

Kapuskasing's concerns seem somewhat out of proportion to the size of the population in the unorganized territory. There are only 55 inhabitants in Owens and 116 in O'Brien, for a total of 171, or 1.5% the current population of the town.

More important, there is nothing unusual or unhealthy in the annual confrontation between the town council and its present west-of-the-river constituents. Setting a municipal budget inevitably means saying yes to some demands and no to others. Kapuskasing Council regularly turns down the budget request from the Kapuskasing Public Library Board. No one would see this as a reason for barring library users from participating in the town's government.

Annexation Benefits

Implementation of Recommendation 4 would bring fire protection, garbage collection and a say in municipal planning to Larabie's Road and Kitigan. The last is particularly relevant now that the Minister of Housing has delegated the administration of the sec. 32 zoning order in force in Owens and O'Brien townships as well as the granting of consents (i.e. land severances) to the Kapuskasing District Planning Board. Members of the board from the unorganized territory are appointed by the town council subject to the approval of the minister.

The tax increases that would result from the boundary change do not seem unreasonable. An average residence on Larabie's Road would pay \$8, or 3%, more than is now paid in provincial and tax and local boards tax. An average residence in Kitigan would pay \$66, or 28%, more. The increases for the homes located just beyond the town's eastern boundary on Highway 11 would be somewhat higher because they have the provincial highway as their local road.

There would be benefits for the provincial government. The Ministry of Housing,

the Ministry of Transportation and Communications and the Ministry of Community and Social Services would be relieved of their involvement in such essentially local matters as land use control, rural roads and municipal welfare.

No adverse affects on Kapuskasing's financial position are anticipated. Applying the town's 1978 millrate to the \$1,133,000 of equalized assessment in the annexed area would generate nearly \$50,000 in revenues over and above the extra municipal spending estimated to be required to provide services at the present level. This could act as a cushion against any demands that might be made for upgrading Larabie's Road or the Kitigan roads after annexation.

Broader Issues

The relatively minor boundary adjustment in Recommendation 4 in no way addresses the main Kapuskasing area issue discussed in the interim report. This was the absence of an effective mechanism for co-ordinating the planning and servicing decisions of local government. The wider Kapuskasing community includes not only the town itself, but also the Township of Owens, Williamson, and Idington. The

relationship between the town and the township "seat," the hamlet of Val Rita (pop. 447) is particularly strong.

Val Rita is located just six miles from Kapuskasing Town Hall. Its residents are almost completely dependent on the town for employment, shopping and personal services, and they are listed in the telephone directory as part of the Kapuskasing exchange. At the same time, most of the children in the half-day program at the "Au Petit Soleil" come from Kapuskasing.

Interdependence

The socio-economic reality creates an interdependence between the municipal decision-making in Kapuskasing and that in Owens, Williamson and Idington. If Kapuskasing's efforts to diversify its industrial base bear fruit, Val Rita residents will get some of the jobs. If Val

Rita's development plans ever come to include a major commercial component, Kapuskasing's shopping areas could be threatened.

There are already indications that conflicting municipal development policies may have produced a sub-optimal use of the limited tax and grant dollars available to the broader community. Against a backdrop of regional population stability,* Kapuskasing lost 423 people between 1973 and 1978, while Owens, Williamson and Idington gained 178 over the same period. The out-migration is attributable, at least in part, to the major municipal projects undertaken in Val Rita since incorporation, including a fire hall, a day care centre, a sewerage system and a road paving program.

The shift in population seems likely to continue. The current draft development policies

*The Township of Owens, Williamson and Idington brief cites Table I-1 of the interim report research appendix as proof that there is a growth trend in the study. This arises from a misinterpretation of the data in the table. The figures are for the population living in municipalities at the beginning of every decade. Much of the "growth" is thus the result of annexations. Table I-2 of the research appendix shows that the population living within the area of the 1977 boundaries had increased by only 2% over the preceding ten years.

of the Township of Owens, Williamson and Idington envisage an annual household growth rate of from 3.1% to 4.8% (4.9% to 7.8% in Val Rita) over the next twenty years. To support this growth, provincial funding is being sought for a communal water system in Val Rita.

Merger Option

The interim report study made the argument that the simplest way to assure effective public priority-setting for the greater Kapuskasing area would be to merge Val Rita (i.e. the organized half of Owens township) with Kapuskasing and the residual part of Owens, Williamson and Idington (chiefly Harty) with the Improvement District of Opasitika.

The council of the expanded town, it was felt, would be in a position to secure an optimal allocation of the scarce resources available to the area. The council would also be able to take over the intermunicipal arbitration function being performed by provincial ministries. The residents of Val Rita would at last have a chance to participate in the decisions shaping the environment in which

they work, shop and play daily.

Local Reaction

Local reaction to this idea (Option K-3) has been uniformly negative. As noted above, the Town of Kapuskasing wants its boundaries to stay as they are. The Council of the Township of Owens, Williamson and Idington has criticized Option K-3 in the strongest terms. While conceding a certain lack of planning co-ordination, council argues that the interim report "distorted" the problem by giving it "an exaggerated importance." The council "rejects firmly and definitively any proposition tending to subject the municipality in whatever manner to the Town of Kapuskasing."

The township council has also criticized Option K-3 because it would divide Val Rita (Owens township) from Harty (Idington township). The separation of the two was put forward in the interim report because Harty was six miles farther away from Kapuskasing than Val Rita. The study officer's attention has subsequently been drawn to a recent University of Ottawa master's thesis in sociology which documents the growing affinity between the two hamlets in terms of their school,

church, credit union and municipal institutions.* It is now clear that Option K-3 should have been the merger of all of the Township of Owens, Williamson and Idington with the Town of Kapuskasing.

Amalgamation is not being recommended in any form because local support is lacking. So drastic a realignment of governmental structures could only work through the commitment and goodwill of the local people involved. The town is apparently not interested, as it was during the 1960s, in taking on any major new responsibilities. The township is adamantly opposed to any reduction in its autonomy from the town.

Planning Approaches

How are the local public-sector planning and development policies to be co-ordinated in the absence of municipal reorganization? The need for such co-ordination is now recognized by all parties concerned. In August 1978 the Township of Owens, Williamson and

Idington presented the town council with a proposal for a regional planning structure embracing the two municipalities and the Improvement District of Opasatika, the Township of Fauquier and the Township of Shackleton and Machin. The concept has been supported by the Town of Kapuskasing in its brief to the local government study.

The precise shape that the planning structure might take is still being discussed locally. One approach would have to have the Minister of Housing define the five municipalities as a joint planning area under sec. 2(1) of The Planning Act. There would be a joint planning board composed of one or more representatives from each municipality. The board would prepare an official plan to guide future development in the entire area. Some of the municipalities might be defined as subsidiary planning areas under sec. 2(4), able to draw up more detailed official plans, but these plans would have to conform to the joint plan.

The opposite approach

* Raymond A. Tremblay, "La participation a Val Rita-Harty: Etude des facteurs qui influencent la participation des gens a la vie communautaire." These M.A. - Universite de Ottawa, 1975.

would be to have a fairly loose arrangement. In place of a planning board, there would be a planning and development committee, composed of one representative from each municipality. The committee would serve as a forum for the exchange of views and information among municipalities. Municipalities willing and able to prepare official plans on their own would be defined as single independent planning areas.

While every effort would be made to arrive at consensus through the committee, the responsibility for sorting out differences among municipal policies would rest squarely with the provincial government. The Province would exercise this responsibility as it does now - viz., through the official plan approval process and through the leverage conferred by the grant programs of the Ministry of the Environment, the Ministry of Northern Affairs and other ministries.

Strong Form

The stronger form of joint planning is sometimes thought of as a substitute for municipal reorganization. Indeed, it is perhaps not an exaggeration to say that some people have seen joint planning as a

"back-door" method for urban centres to annex fringe areas for planning purposes. Although The Planning Act provides many avenues of appeal from the decisions of a joint planning board, the assumption has often been made that the initiative for formulating area-wide planning policies should lie with the board's "designated municipality", normally the dominant city or town.

The history of the Kapuskasing District Planning Board suggests that this form of joint planning is not workable in the Kapuskasing area. The board was established during the 1950s for the Town of Kapuskasing and the then unorganized townships of Owens, Williamson, O'Brien and Teetzel. During the late 1960s the board duly proceeded to prepare an official plan, which was then adopted by the designated municipality, the Town of Kapuskasing. However, the hamlet development policy in the plan was vigorously opposed by the citizens' committee in Val Rita and as a result, the plan was approved in 1975 minus the offending section. The board was largely inactive thereafter as an area-wide planning body.

Owens, Williamson and Idington and the other rural municipalities in the greater Kapuskasing area would obviously be

very reluctant to accept a joint official planning mechanism which gave the town a veto power over development in the hamlets. This would be worse than being annexed outright. As part of the town, the hamlets would at least have their views counted at election time. If the town's relationship with the outlying areas were limited to planning, the town council could restrict hamlet development without being obligated to make up for any resulting loss in the revenues available for municipal services.

Not that the Town of Kapuskasing is interested in imposing its will on others. "We feel that it is important," the town council says in its brief, "that those smaller municipalities who wish to do so (particularly Val Rita-Harty) are permitted to establish their own planning areas and boards without being finessed into larger or combined areas against their wishes." Of course, the town would likewise presumably not want vital decisions about its future made by a body on which it did not have representation in proportion to its population.

Weak Form

A joint planning

body with real decision-making authority thus seems a doubtful proposition for the Kapuskasing area at this point in time. Some form of a weak joint planning board is probably the most that can be expected.

The Planning Act gives the Minister of Housing considerable flexibility in tailoring planning boards to local needs. There is no requirement that the largest municipality be the designated municipality for, or have a majority of members on, the planning board. Moreover, sec. 5 of the act provides: "Notwithstanding this or any other Act, the Minister may, in order to suit the special needs of any planning area, vary the constitution of the planning board, the procedures by which it is appointed, the terms of office of its members, and the manner in which it is to function and may make special provisions relating to the recommendation, adoption and approval of the official plan of the planning area."

Board Functions

The Town of Kapuskasing has suggested that it might be useful for the new board to engage professional staff to provide planning assistance to the member

municipalities on a fee-for-service basis. In the long term, the agency might want to take on economic and development and tourist promotion in addition to land use planning. If so, Hearst and Smooth Rock Falls might wish to participate in the agency.

Kapuskasing has also suggested that the Ministry of Intergovernmental Affairs undertake a series of industrial development studies as a follow-up to the local government study. This, however, would appear to be more properly a function of the new intermunicipal planning agency.

The final shape of joint planning in the Kapuskasing area will depend on the outcome of local discussions and on the contents of the provincial white paper on The Planning Act scheduled for release at the end of May 1979. A key point to bear in mind is that there is a direct relationship between local autonomy and the commitment to area-wide co-ordination. The more municipalities are prepared to sort out their differences among themselves, the greater the opportunity for eliminating the Province's involvement in what are essentially local decisions.

Planning Status

One further issue raised in the course of the local government study was the desire of the Township of Owens, Williamson and Idington for definition as some kind of planning area under sec. 2 of The Planning Act. The township has already engaged a professional planner and begun drafting a development strategy and a zoning by-law for the township. Official planning status is being sought because of a tendency of federal and provincial agencies to require an approved official plan as a precondition to a municipality receiving powers and funds. The former Neighbourhood Improvement Program (NIP) was one instance of this.

There seems no reason why Owens, Williamson and Idington should not be defined either as a subsidiary planning area in a Kapuskasing district joint planning area or as a single independent planning area under the auspices of Kapuskasing district planning consultation committee. At one time, the Ministry of Housing had a policy against giving small municipalities separate planning status. The policy was questioned in the 1977 report of Planning Act Review Committee (the Comay

report), and the ministry is now defining municipalities less than 500 residents as single independent planning areas. A recent example was Casey Township in Timiskaming District.

Opasatika

Recommendation 6, the erection of Opasatika from an improvement district into a township, is designed to bring local self-government to the hamlet. Though a municipality for the purposes of The Municipal Act, an improvement district is governed by a board of trustees appointed by the Lieutenant Governor in Council (i.e. the provincial cabinet). Moreover, all of the board's by-laws and budgets require the approval of the Ministry of Intergovernmental Affairs before they take effect.

Opakatika's appointed board would automatically be replaced by an elected council with the accession to township status. As of 1978, the board of trustees felt that more time was needed before elections were tried. The board has apparently since decided to apply to the O.M.B. for erection into a township some time before the November 1980 elections.

Moonbeam-Fauquier

The interim report included as an option (Option F-1) the amalgamation of the Township of Fauquier and the Township of Shackleton and Machin. The township "seats", Moonbeam (Fauquier Township) and Fauquier village (Shackleton & Machin), are only six miles apart, and both municipalities are basically rural, oriented to Kapuskasing and overwhelmingly French-speaking.

Amalgamation has been firmly rejected by the councils of both municipalities on the grounds of the feelings of identity created by fifty years of existence as separate municipalities. Fauquier Township has also questioned the possibility that there might be cost savings through combining staff and equipment. While on-site evidence is lacking, it is difficult to accept that there are not any economies to be had in such areas as general administration and planning. The township's brief itself notes that a considerable saving has already been achieved by having the same person operate the environmental works in Moonbeam and Fauquier village.

The tax effects assuming no economies of scale would be a slight increase in Fauquier Township (from \$247 to

\$256 for a permanent residence) and a slight decrease in Shackleton and Machin (from \$236 to \$219). This is due to the stronger assessment base in the former municipality.

HAGGART TOWNSHIP RECOMMENDATIONS

RECOMMENDATION 7: THAT HAGGART TOWNSHIP EAST OF THE LINE BETWEEN LOTS 20 AND 21 (LOTS 21 AND 22 IN CONCESSION IV) BE ANNEXED TO THE TOWN OF SMOOTH ROCK FALLS: AND THAT THE REST OF THE TOWNSHIP BE ANNEXED TO THE UNITED TOWNSHIPS OF SHACKLETON AND MACHIN.

RECOMMENDATION 8: THAT CONSIDERATION BE GIVEN TO PHASING IN THE RESULTING TAX INCREASES FOR PROPERTIES IN HAGGART OVER A FIVE-YEAR PERIOD THROUGH TRANSITIONAL MILLRATE ADJUSTMENTS AND TRANSITIONAL ASSISTANCE FROM THE PROVINCIAL GOVERNMENT.

Introduction

There are slightly more than one hundred houses in Haggart township. Half are permanent residences strung out along Highway 11; the other half are cottages located south of the highway on Departure Lake. The most noticeable concentration of permanent residences is in the hamlet of Strickland on the western edge of the township. A few of the houses in Strickland are located over the boundary in the Township of Shackleton and Machin.

Previous Attempts

There have been two previous attempts to extend municipal government to Haggart township. In 1973 the Town of Smooth Rock Falls and the Township of Kendrey submitted a joint application to the Ontario Municipal Board for the amalgamation of the two municipalities and the annexation of Haggart to the new corporation. The application was dismissed by the board. Smooth Rock Falls and Kendrey later amalgamated without Haggart effective January 1, 1975.

Toward the end of 1975 an application was received for the annexation of Haggart from the Township of Shackleton and Machin. The Town of Smooth Rock Falls then filed a counter-application for Haggart. In order to avoid a confrontation at the Municipal Board, the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs acted under sec. 26 of The Municipal Act to defer a hearing of the applications pending the outcome of a ministry study.

Positions Clarified

The two municipalities have subsequently clarified their positions on the Haggart issue. At an

April 1978 meeting with the study officer to discuss the interim study report, the Council of the Township of Shackleton and Machin indicated that it did not want all of Haggart, but only the western fourth. The official position of the Council of the Town of Smooth Rock Falls is that all of Haggart belongs with the town. However, the real concern is apparently to avoid losing control of the land on the town's western boundary to another municipality. The boundary is only two miles from the downtown.

Annexation Rationale

The main reason for including Haggart in one or the other of the two municipalities is the need for planning control. Haggart is part of the Smooth Rock Falls Planning Area and, as such, is subject to the official plan approved for the area in 1977. However, the only land use control in effect in the township is the provincial control of subdivisions (including severances). The town's zoning by-law authority does not extend to Haggart, and the Province has never issued a restricted-area order under either The Public Lands Act or The Planning Act.

While the Smooth Rock Falls area has

experienced relatively little development pressure in the past, there is no guarantee that this situation will continue. The new highway from Driftwood to Timmins has been completed, cutting 30 miles off the travelling distance from Smooth Rock Falls to Timmins. Ontario Hydro has announced that the 300 people at the dam at Abitibi Canyon will be relocated to Kapuskasing and Smooth Rock Falls. Ontario Hydro has also launched a \$6 million joint study with Onakawana Development Limited of the economic potential of the lignite coal deposit at Onakawana.

Financial Strength

The need to strengthen the municipal revenue base is another reason to consider changing Haggart's status. Shackleton and Machin Township currently has the lowest equalized taxable assessment (in absolute terms and assessment per capita) of any municipality in the study area. The \$10,500 which Haggart residents and property owners currently pay in provincial land tax is not available to finance local priorities and services.

The recommended division of Haggart at the line between lots 20 and 21 would increase the assessment bases of

Shackleton and Machin and Smooth Rock Falls by 18% and 8% respectively. This would make possible tax reductions for the existing ratepayers in both municipalities.

Dividing Line

If the need for municipal control over Haggart is accepted, the form that that control should take is fairly easy to decide. Haggart has too small a population and assessment base to be an effective municipality by itself, and, as Shackleton and Machin has recognized, the eastern three fourths of Haggart unquestionably belongs with the Town of Smooth Rock Falls. The western edge of the area is as close to downtown Smooth Rock as the town's present eastern boundary. Three out of four of the cottages on Departure Lake are owned or leased by people living in the town.

The issue thus boils down to Strickland and the homes immediately to the east of Strickland. The town's claim to Strickland is based on the hamlet's alleged orientation to Smooth Rock for services. In its brief, the town council stresses the facilities which the town has and Fauquier village does not, including a hospital, a cinema and a bowling alley. However, there is reason to think

that Strickland residents may visit Kapuskasing almost as often as Smooth Rock Falls. While Kapuskasing is half an hour's drive, it has five times the population of Smooth Rock Falls and hence offers a much greater range of stores and services.

Relative Distances

The principal factor arguing for the annexation of Strickland to the Township of Shackleton and Machin is distance. The centre of Strickland is ten and one half miles from Smooth Rock Falls but only eight miles from Fauquier village. Two and a half miles is two and a half extra minutes for a fire truck to arrive at the scene of a house fire. If Strickland became part of Smooth Rock Falls, the town might well want to extend fire protection to the hamlet by means of an agreement with Shackleton and Machin. The township has dispatched its fire truck to Strickland several times in recent years.

Another consideration is the desirability of not dividing Strickland between two municipalities. In the event that all of Haggart were annexed to Smooth Rock Falls, this could only be accomplished by moving Shackleton and Machin's boundary two lots

west. The distance argument would apply with even greater force to the residents of Strickland transferred out of Shackleton and Machin than it would to those now in Haggart.

Given Strickland's lack of a clear-cut external orientation, it seems reasonable to divide Haggart township at the line between Lots 21 and 22 (Recommendation 7). The boundary should jog one lot west in Concession IV in order to avoid splitting the existing area of the Departure Lake Local Roads Board. One should note that the provisions in the official plan of the Smooth Rock Falls Planning Area relating to Strickland would remain in effect after the annexation to Shackleton and Machin.

Residents' Position

While probably an acceptable solution from the municipalities' standpoint, Recommendation 7 runs counter to the desire of Haggart residents and property owners to maintain their unincorporated status. It was as a result of the views of the residents, the cottagers and the TransCanada Pipelines Company Limited that the Ontario Municipal Board turned down the joint annexation bid of Smooth

Rock Falls and Kendrey in 1973. The residents' association and the cottagers' association have reaffirmed their opposition to annexation in any form in briefs submitted to the Hearstto Smooth Rock Falls Local Government Study.

The opposition is rooted in fears of increased taxation. Table II indicates that these fears are not without foundation. As part of Smooth Rock Falls, the average residential property on Highway 11 in the eastern part of Haggart would have paid \$83 in taxes for municipal purposes in 1978, as compared to \$31 paid in provincial land tax in that year. The corresponding figures for permanent residences annexed to Shackleton and Machin are \$64 and \$31. (Note: All these figures must be treated with considerable caution because of a lack of reliable assessment data. See the discussion in Appendix A.)

The absolute amounts of the increases (maximum: \$52 a year) do not seem particularly onerous or unfair. Haggart residents are relying on the municipal infrastructure in Smooth Rock Falls and Shackleton and Machin without making a financial contribution to them. Moreover, as municipal ratepayers, the residents could get fire protection

TABLE II
HAGGART RECOMMENDATION
COMPARISON OF AVERAGE TOTAL RESIDENTIAL TAX BURDENS
FOR MUNICIPAL PURPOSES

	<u>Property Tax Burden</u> 1978		<u>Increase (Decrease)</u>	
	<u>Actual</u>	<u>Annexed</u>	\$	%
	\$	\$		
Smooth Rock Falls	164	131	(33)	(20)
Shackleton & Machin	108	81	(27)	(25)
Haggart Twp. - Annexed to Shackleton & Machin	31	64	33	106
Haggart Twp. - Annexed to Smooth Rock Falls				
Inside Local Roads Bd. Area				
- Permanent Dwelling Unit	65	83	18	28
- Recreational Dwelling Unit	35	56	21	60
Outside Local Roads Bd. Area				
- Permanent Dwelling Unit	31	83	52	168
- Recreational Dwelling Unit	17	56	39	229

Note: The figures shown for Smooth Rock Falls and Shackleton and Machin are for permanent residences identified as separate school supporters, there being no material differences from public school supporters. All figures must be treated with considerable caution because of the lack of assessment data for public school supporters. See the discussion in Appendix A.

and garbage collection.

School Taxes

On the other hand, Table III shows that the increases in total property taxation (i.e. for both municipal and educational purposes) resulting from the annexations would be dramatic (up to \$150 a year).

The reason is that Haggart is not currently paying its fair share in school taxes. While all of the patented land in the township is under the jurisdiction of the Kapuskasing District Roman Catholic School Board, none of the township comes within the area of a public board of education. Consequently, separate school supporters do not pay taxes for secondary school purposes, and public school supporters do not pay taxes for either elementary or secondary purposes. The costs of educating the Haggart children attending schools of the Kapuskasing Board of Education in Kapuskasing and Smooth Rock Falls are subsidized 100% by the provincial government.

The interim study report called attention to the inequity of this situation. Haggart is in the same position as all the other inhabited

unorganized townships in the study area, and yet is the only one paying nothing for public and secondary schools.

Ministry Letter

The Ministry of Education wrote to the Kapuskasing board in July 1978 to suggest that Haggart be added to the board's area. The board demurred: "It was felt that there was no real benefit to the Board in annexing Haggart township and that in all probability taxes would increase for taxpayers presently within the Board's jurisdiction. Furthermore, the trustees felt that the responsibility for including Haggart ... lies primarily with the province."

The last sentence in the board's reply is a reference to the fact that changes in school board areas are ordinarily made by orders in council issued by the Province under sec. 52 of The Education Act. In this instance, however, the change could come about through the implementation of the municipal boundary recommendation (Recommendation 7). The description of the Kapuskasing board's area contained in Education Act Regulation 793 refers to "the Township of Shackleton and Machin" and

TABLE III
HAGGART RECOMMENDATION
COMPARISON OF AVERAGE TOTAL RESIDENTIAL TAX BURDENS

	Total Property Tax Burden 1978		Increase (Decrease)	
	Actual	Annexed		
	\$	\$	\$	%
Smooth Rock Falls	329	283	(46)	(14)
Shackleton & Machin	234	206	(28)	(11)
Haggart Twp. - Annexed to Shackleton & Machin				
- Public School Supporter	31	160	129	416
- Separate School Supporter	129	163	34	26
Haggart Twp. - Annexed to Smooth Rock Falls				
Inside Local Roads Bd. Area				
- Permanent Dwelling Unit				
- Public School Supporter	65	181	116	178
- Separate School Supporter	164	182	18	11
- Recreational Dwelling Unit				
- Public School Supporter	35	121	86	25
- Separate School Supporter	101	122	21	21
Outside Local Roads Bd. Area				
- Permanent Dwelling Unit				
- Public School Supporter	31	181	150	484
- Separate School Supporter	130	182	52	40
- Recreational Dwelling Unit				
- Public School Supporter	17	121	104	612
- Separate School Supporter	83	126	43	52

Note: Total tax burden includes taxation for education purposes. The figures shown for Smooth Rock Falls and Shackleton and Machin are for permanent residences identified as separate school supporters, there being no material differences from public school supporters. All figures must be treated with considerable caution because of the lack of assessment data for public school supporters in Haggart. See the discussion in Appendix A.

"the Town of Smooth Rock Falls". Haggart would automatically become part of the Kapuskasing board area on being annexed to municipalities already in the area.

Pipeline Issue

One issue that may come up is the effect of the recommended annexations on the taxes paid by Haggart's principal property owner, TransCanada Pipelines. While it has not submitted a brief to the local government study, the company would presumably argue against Recommendation 7 (and indeed against Recommendations 1 and 4) on the grounds that the increase in its annual tax bill (from \$8,000 to \$72,000 in the case of Haggart) would not be accompanied by a proportionate increase in service benefits. Such, anyway, is the argument which the company employed against previous municipal annexations and incorporations in the study area.

Ontario has not generally allowed the tax effects on particular commercial ratepayers stand in the way of needed local government reorganization. The Ontario Municipal Board told TransCanada in the 1976 decision on Opasatika's request for

municipal incorporation: "The Board is satisfied that there is a need for such an incorporation, and while it appears that no benefits will accrue to TransCanada Pipelines, it is a situation common with such incorporations throughout the area. The Board concludes that the public interest must prevail."

Again, in the 1972 St. Pie X-Louisbourg annexation decision, the board said: "Their main reason for objecting is the alleged inadequacy of the services now provided or available. Since municipal taxes on real property are generally not commensurate with the municipal services provided at any specific property, the Board is not persuaded that any exception should be made for that reason." Why the board did make an exception when it dismissed the joint Smooth Rock-Kendrey annexation application in 1973 is unclear.

Transitional Arrangements

It has been customary over the last decade for significant taxes increases resulting from changes in local government structure to be phased in gradually. If the Government of Ontario followed the precedents set in the regional municipalities and other

provincially-supported restructurings, Haggart taxpayers would not pay the full municipal millrate until after five years. In the first year, they would pay what they had paid in provincial land taxes and local roads board taxes (adjusted for inflation); in the second, they would pay the pre-annexation rate plus 20% of the difference; in the third, the pre-annexation rate plus 40% of the difference; and so on.

Three fourths of the cost of the transitional program would be paid for by phasing in the tax decreases for the existing ratepayers in Shackleton and Machin and Smooth Rock Falls. The remainder would come from the provincial government. Sec. 8(b) of The Ontario Unconditional Grant Act provides that "the Lieutenant Governor in Council may, to minimize changes in the incidence of local taxation and to promote the development of services on a regional basis ... provide for payments to be made to any...lower tier municipality [i.e. city, town, village, township or improvement district] affected by any amalgamation, annexation or change in the responsibility for the provision of services...." The Town of Smooth Rock Falls received a payment under the act in 1977 in

in respect of its amalgamation with the Township of Kendrey.

Arena Grant

In 1978 the Haggart Township Citizens Committee obtained a charter of incorporation as a non-share-capital corporation under Part III of The Corporations Act. Recently, the committee submitted an application to the Ministry of Culture and Recreation for a \$37,500 grant under The Community Recreation Centres Act. The money would be paid to the Town of Smooth Rock Falls as part of a \$75,000 contribution to the town's \$700,000 arena repair project.

There is some doubt whether the people of Haggart will actually be able to raise the local share of the \$75,000 required under the terms of the provincial grant program. The precise amount of the share net of all grants (including Wintario grants) is still under consideration by the Ministry of Culture and Recreation. In any event, the application would not be affected by the change in Haggart's status recommended in this report since the application would have been submitted prior to the change. The Council of the Town of Smooth Rock Falls expressed some concern about this in its brief to the local government study.

OTHER RECOMMENDATIONS

RECOMMENDATION 9: THAT THE COCHRANE DISTRICT WELFARE ADMINISTRATION BOARD AND THE COCHRANE DISTRICT HOMES FOR THE AGED BOARD OF MANAGEMENT EACH CONSIST OF TWELVE MEMBERS, ALL APPOINTED BY THE COUNCILS OF THE CONSTITUENT MUNICIPALITIES.

RECOMMENDATION 10: THAT THE MUNICIPALITIES AND SPECIAL-PURPOSE BODIES IN THE STUDY AREA CONSIDER REQUESTING THE MINISTRY OF INTERGOVERNMENTAL AFFAIRS TO UNDERTAKE A STUDY OF POSSIBLE SHARING OF SPACE, STAFF AND FACILITIES BY PUBLIC AGENCIES IN THE AREA.

RECOMMENDATION 11: THAT THE MUNICIPALITIES AND OTHER AGENCIES IN THE NORTH COCHRANE AREA CONTINUE THEIR EFFORTS TO PROVIDE SERVICES TO RESIDENTS IN BOTH FRENCH AND ENGLISH AS REQUIRED.

Special-Purpose Bodies

The last twenty years have seen many municipal responsibilities transferred from elected councils to appointed area-wide agencies. There are currently no fewer than eleven such agencies in the study area, including four school boards (two public and two separate), the Cochrane District

Welfare Administration Board, the Cochrane District Homes for the Aged Board of Management, North Cochrane District Family Services (CAS) and the Porcupine Health Unit.

There are many problems associated with the parcelling out of municipal functions among special-purpose bodies. They include a tendency to domination by the Province and a lack of co-ordination among agency operations.

Unfortunately, there are no easy solutions. Returning the functions to the municipalities must be rejected on grounds of efficiency. In the public health field, for example, none of the municipalities in the study area, not even the Town of Kapuskasing, could afford to employ a full-time medical officer of health on its own.

Consideration was given early in the study to the possibility of merging the various boards into some sort of upper-tier structure modelled on the county system of southern Ontario. However, the idea had to be dropped because of the participation in most of the agencies by municipalities outside the study area. What was to be done with Cochrane, Glackmeyer, Iroquois Falls, Black River-Matheson, Timmins and Hornepayne if the Porcupine Health Unit

were cut back to the Hearst to Smooth Rock area?

Board Composition

Recommendation 9, the alteration in the composition of the North Cochrane District Welfare Administration and the Cochrane District Homes for the Aged Board, is designed to improve local understanding of and control over the operations of the boards. While the two boards presently cover the same area (i.e. all of the municipalities in Cochrane District except the City of Timmins), they are composed differently. The welfare board has ten members, eight appointed by municipal councils and two by the Lieutenant Governor in Council. The homes for the aged board has seven municipal appointees and two provincial appointees.

There is considerable variation in the number of representatives allotted to each municipality and in the "areas", or wards, used for the joint selection of representatives shared by more than one municipality. Kapuskasing has two members on the homes for the aged board but only one on the welfare administration board. Owens, Williamson and Idington shares a member

with Opasatika and Eilber and Devitt on the welfare board but is joined with Hearst for selecting a member to the homes for the aged board. The latter board has received a request from the three rural municipalities for a seat of their own.

Increasing the number of members on each board to twelve would facilitate meeting this request. It would also permit some of the other municipalities to have separate representation on the boards for the first time.

There seems to be no reason why two of the additional municipal places should not come from the seats allotted to the province. The provincial appointees on the boards do not act as instructed delegates, and the Ministry of Community and Social Services has ample means of protecting the provincial interest through regulations and conditional grants.

Consideration might be given to requiring the municipalities to appoint the same individuals to both boards. The boards might continue as separate legal entities, with the same group of people meeting first in one capacity and then in another. The common membership would undoubtedly contribute to greater co-ordination of administration and policy in the social service

field. There are two people serving simultaneously on both boards at the present time.

Table IV (overleaf) shows one possible distribution of representation on the boards. The distribution seems reasonably equitable from the standpoint of both population and equalized assessment. The District Welfare Administration Act and The Homes for the Aged and Rest Homes Act suggest that both factors should be taken into account in the distribution of seats. However, no exact formula is laid down in the legislation.

The proposed distribution does not allow for any representation for the Moosonee Development Board on the Cochrane District boards. Moosonee currently shares a representative with Cochrane and Glackmeyer on the homes for the aged board. It is not clear why this is so since both welfare and homes for the aged for Moosonee residents are provincial responsibilities.

Sharing Study

Recommendation 10, the proposed study of possible sharing of staff equipment and facilities, is a suggestion of the Council of the Town of

Kapuskasing. The council believes that the study should be carried out by widening the terms of the local government study. If other councils and agencies think that this study would be a useful exercise, a request might be made to the Minister of Intergovernmental Affairs.

Staff of the Municipal Administration Branch of the Ministry of Intergovernmental Affairs were recently involved in a similar study undertaken on behalf of the Waterloo Local Government Review Commission. The ministry's Field Services Branch also undertakes studies of this kind.

Municipal Bilingualism

French is the mother tongue of an estimated 71% of the inhabitants in the study area. The percentage for the province as a whole is 6%.

The challenges which the special linguistic character poses for local government were discussed in a thoughtful brief submitted by the Great North Council of the French Canadian Association of Ontario (ACFO) in August 1977. ACFO stated that while the Town of Hearst and the rural municipalities in the study area operate basically in French, Kapuskasing and Smooth

TABLE IV
 PROPOSED DISTRIBUTION OF REPRESENTATION
 ON COCHRANE DISTRICT WELFARE ADMINISTRATION BOARD
 AND COCHRANE DISTRICT HOMES FOR THE AGED BOARD
 OF MANAGEMENT

<u>Area</u>	<u>No. of Members</u>	<u>Share of Represent- tation %</u>	<u>Share of Popu- lation %</u>	<u>Share of Equalized Taxable Assess. %</u>
Kapuskasing*	3	25.0	28.4	37.4
Iroquois Falls	2	16.7	14.7	15.2
Black River-Matheson	1	8.3	8.3	7.1
Hearst*	2	16.7	16.2	12.8
Eilber & Devitt Opasatika Owens, Williamson & Idington	1	8.3	7.6	6.8
Fauquier Shackleton & Machin Glackmeyer	1	8.3	7.9	4.6
Smooth Rock Falls*	1	8.3	5.9	8.7
Cochrane	<u>1</u>	<u>8.3</u>	<u>11.0</u>	<u>7.4</u>
TOTALS	12	100	100	100

* With the boundaries recommended in this report

Rock Falls were offering French "in a sporadic fashion." All municipalities were incurring extra expense in order to translate documents from French to English and vice versa.

Subsidy Program

Since the ACFO brief was prepared, the Province of Ontario has introduced a grant program to assist municipalities which commit themselves to provide new services in French as well as in English. The assistance supports new French-language training programs for anglophone employees and English-language training programs for francophone employees. There is also provision for assisting municipalities to translate regulatory by-laws, official plans, council minutes and other documents into French.

The grant is confined to start-up costs. The provincial share of the approved expenditure is 80% in the first year, 60% in the second, 40% in the third, 20% in the fourth and nothing after that.

The Town of Hearst and the Township of Owens Williamson and Idington are currently the only municipalities in the study area which have chosen to participate in the program to date.

CONCLUSION

Moderate Changes

Local leaders in the north of Cochrane District indicated at the start of the local government study that they were looking for practical changes that would help them meet the needs of their constituents more effectively. The recommendations in the final study report are designed to meet this objective. They represent a careful balance between what the problems seem to demand and what residents have said they are prepared to accept.

Implementation

There are basically two ways in which the recommendations could be pursued. One would be by way of application to the Ontario Municipal Board. This method has been frequently used for adjusting municipal boundaries in the study area since the 1960s. The disadvantages of the Municipal Board route are that the quasi-judicial nature of the proceedings tends to encourage confrontation instead of consensus and that the board is not always in a position to work out the transitional financial arrangements required. Still, it would probably

be the preferred route if only one or more minor changes were to come out of the study.

If, on the other hand, there were support for all or most of the study recommendations, the councils and residents might wish to consider asking the Government of Ontario for legislation to make the changes in a comprehensive fashion. The amalgamations and annexations in the Lakehead and in Timmins areas of the late 1960s and early 1970s came about in this manner.

More recently, the Honourable Thomas L. Wells, the Minister of Intergovernmental Affairs, has sponsored a bill to reorganize the local government in Parry Sound District. The bill would adjust the Town of Parry Sound's boundary with McDougall Township, merge certain unorganized territory with the Town of Kearney and incorporate a new Township of North Georgian Bay. The bill is expected to be considered for second and third reading during the current session of the Legislature.

Community Support

Whichever method is employed for north Cochrane, local support will be of critical importance. The Government of Ontario has indicated that it wants

to assist in strengthening the municipal system of northern Ontario, but only where there is a sufficient local consensus in favour.

Despite its lack of enthusiasm for changes in its boundary, the Town of Kapuskasing has recommended that there be a one-year follow-up phase to the local government study. According to the town council "it would be most unfortunate if the [final] report became just another library volume." The decision as to whether or not that fate awaits the report is now in the hands of the people living in the towns and villages along Highway 11 from Hearst to Smooth Rock Falls.

APPENDICES

APPENDIX A

FINANCIAL ANALYSIS

A. INTRODUCTION

The purpose of this study is to try to estimate the potential financial impact on residential ratepayers of the municipal boundary recommendations and options discussed in the final report of the Hearst to Smooth Rock Falls Local Government Study. The local taxes actually levied during 1978 are compared with what taxes would have been if the new boundaries had been in effect as of January 1 of that year.

The first step in the analysis was to extract spending data from the 1978 approved budgets of the municipalities, local roads boards and area-wide agencies. Next, additional data was sought from various local agencies and provincial ministries. There followed extensive discussions with the Town of Hearst over the amount of road expenditure to be included in the mock budget for an expanded Hearst.

The hypothetical tax burdens shown under the heading "Annexed" were arrived at by adjusting the budgeted expenditures as required and then recalculating the applicable provincial grants. The adjustments to the expenditure data generally erred on the

side of conservatism so as to overestimate rather than to underestimate the possible negative effects on taxation. For instance, the increase in recreation spending was estimated by multiplying the population of the annexed area times the annexing municipality's current per capita recreation expenditure even though the new recreation budgets would almost certainly not have to be increased to that extent.

The figures must not be interpreted as predictions of actual future taxes. The analysis is limited to the effects of boundary changes that would more or less be beyond the control of elected councils. These effects include assessment shifts, unavoidable spending increases and grant eligibility changes.

Moreover, the analysis is a snapshot of the municipal financial situation at one point in time. Many things have happened since the budgets used for the analysis were adopted in mid-1978. In Hearst, for example, the Ministry of the Environment has begun a \$3.8 million water filtration plant, the town has built a \$2.8 million sports complex and \$1 million has been added to the town's assessment roll by a new shopping centre. In the coming year, there is the prospect of a \$800,000 extension to the town's sewage lagoon and a \$4 million Shell of Canada fuel pellet plant. None of these developments have

been taken into account in the analysis.

The tax levels shown in the "Annexed" columns of the tables are designed to cover municipal spending increases caused by boundary changes assuming that no major improvements in services are undertaken. The fact is, however, that once in a municipality, residents of annexed areas may well expect and demand better roads and other services. At the same time, municipal councillors will be tempted not to take full advantage of the millrate reductions possible for the annexing area.

Applying actual 1978 millrates to the enlarged municipalities provides some idea of what could happen if service-level improvement were carried to an extreme. The "uncommitted revenue" shown at the bottom of each table is the additional money that councils would have available without having to increase the taxes paid by the present municipal ratepayers. The corresponding tax figures shown in the columns headed "Annexed-Existing Millrate" represent the "worst case" possibility for the residents of unorganized territory.

The figures shown in the "Total" columns include property taxes levied for both municipal and education purposes. Unless otherwise indicated, the figures are those for separate

school supporters (there being no material difference from public school supporters except in Haggart township). It must be understood, however, that, aside from the recommended division of Haggart township between Shackleton and Machin and Smooth Rock Falls, none of the boundary recommendations would affect taxation for education purposes for any property owners. The four area school boards would continue to apportion net school costs on the existing basis of assessment. The only difference would be that the boards would now requisition the municipalities for the amounts due from the annexed unorganized areas instead of collecting the taxes directly or having the municipalities do it on a voluntary or fee basis.

"LRB" refers to local roads board tax, "PLT" to provincial land tax and "Mun" to property tax for municipal purposes (i.e. excluding education) in tables 1-8. "P" means public school supporter, and "S", separate school supporter in tables 6 and 7. The millrates for all of the different recommendations and options are shown in Table 9. The millrates for the Hearst area recommendations and options are slightly different from what they actually would be because the insignificant difference between the assessment equalization factors for Hearst and the other merged areas (102.1 versus 100) has been

ignored for purposes of simplification.

Inquiries regarding the analysis may be directed to C.J. Bender, CGA, Field Services Branch, Ministry of Intergovernmental Affairs, 347 Sherbrooke Street, North Bay, Ontario, P1B 2C1.

B. HEARST AREA
RECOMMENDATION

The final report recommends that the Town of Hearst be expanded to include Lowther, Way, Hanlan, Casgrain and Kendall townships. This would increase the town's equalized assessment by 35%, from \$29,315,000 to \$39,609,000. By contrast, the planning board area option (the five geographic townships plus Eilber and Devitt Township) would result in a unit with 65% more assessment; and the Wyborn option (Lots 3-12, Concessions IX-XII, Way township), in a unit with 4% more assessment than the present town.

Based on consultation with the Town of Hearst, the assumption was made that Hearst's general administration costs would not increase as a result of the recommended boundary change. In the case of the full planning area option, however, the budgeted administrative costs of the Township of Eilber and Devitt have been included, providing funds for additional staff and equipment. No attempt has been made to determine what economies of scale might be possible in this expenditure category.

Some \$200,000 was included for the cost of maintaining the 115 miles of road in the six local roads boards areas that

would become part of the town. This is something of a compromise figure, being \$45,000 more than the total actual expenditures on the roads in 1978, but \$80,000 less than what the town says it would have paid if it had been doing the work on its own with new equipment purchased on the day after annexation and paid for over five years (see Table 10). The town treasurer agrees that it is reasonable to anticipate that the town would rent some of the additional equipment either from private operators or the Ministry of Transportation and Communications in the first year instead of buying it all at once. The amount included in the analysis of the Wyborn option is the appropriate portion of the Way Local Roads Board budget pro-rated on a mileage basis. The road subsidy rate was assumed to be 50% in all cases. The Ministry of Transportation and Communications has indicated that Hearst would have a 50% rate even if it were a township.

The budget for greater Hearst includes the annual amortized cost of a \$150,000 capital expenditure for a fire substation and related equipment to be located in the vicinity of Jogues. The actual cost could be substantially less than \$150,000 depending on the type and condition of the

equipment placed in the substation. The \$150,000 was not included in the analysis of the Wyborn option.

Garbage collection costs for the geographic townships were estimated at the current dwelling unit rate for Hearst. Existing costs for Eilber and Devitt were added to the budget for the planning area option. It may prove economically unfeasible to offer this service to all parts of the geographic townships because of the distances involved. If so, the costs could be area-rated so as to avoid making the rural residents pay for services they did not receive.

Board of Health costs were increased at the per capita rate of \$3.78 for the Porcupine Health Unit. Hospital costs for residents in the geographic townships are currently subsidized 100% by the Province, so annexation could conceivably create an additional capital-contribution liability for the town over the long term. No allowance was made for this in the analysis, however, because of the difficulties of estimation.

Social service benefit costs in respect of residents in the geographic townships would be subsidized 100% by the Province the first

year after annexation. An allowance was nonetheless made for them in the analysis in the interest of presenting the financial picture for a typical year. The Ministry of Community and Social Services is currently spending \$52,800 on twenty-two GWA cases in the geographic townships around Hearst. This amount was added to the 1978 budget of the Cochrane District Welfare Administration Board, and the net cost reapportioned among the constituent municipalities on the basis of the new equalized assessment figures for the area the board would cover. The increase in Hearst's requisition worked out to \$8,500.

There are currently no residents originating from the geographic townships around Hearst in either of the homes for the aged operated by the Cochrane District Homes for the Aged Board. The board's budget was recalculated and reapportioned in accordance with the new equalized assessment figures.

Recreation costs for the geographic townships have been increased at the net per capita cost for the Town of Hearst. The recreation costs for Eilber and Devitt have been included in the analysis of the planning board area option.

The tax figures shown for Hearst in tables 1-3 do not include water and sewer costs, which are recovered through user charges. Residents of the annexed areas would not pay for water or sewer services unless they received them.

The permanent dwelling units listed in the table do not include farms. Resident owners of farms in unorganized territory can calculate the difference that the recommended annexation would make in their annual tax bills by comparing what they currently pay in school board tax and local roads boards tax (such farms being exempt from provincial land tax) and the product of 25.53 mills times the assessed value of the farm for school purposes. Note that one half of roads boards taxes and property taxes paid by a farmer in respect of the farm on which he resides are claimable as a rebate under the Ontario Farm Tax Reduction Program.

TABLE 1

HEARST AREA RECOMMENDATION:
ANNEXATION OF LOWTHER, WAY, HANLAN, CASGRAIN
AND KENDALL TOWNSHIPS TO THE TOWN OF HEARST

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Annexed</u>		<u>Annexed-Existing</u>	
	<u>LRB & PLT</u>				<u>Millrate</u>	
	<u>or Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Hearst	186	330	124	268	186	330
Way	84	176	72	173	108	200
Hanlan						
- Permanent Dwelling Unit	133	193	47	106	70	130
- Recreational Dwelling Unit	36	104	53	120	79	147
Casgrain						
- Permanent Dwelling Unit	85	183	76	174	115	212
- Recreational Dwelling Unit	45	149	81	185	122	226
Kendall	95	212	91	209	137	255
Lowther	45	114	53	121	80	148

Uncommitted Revenue: \$408,741

TABLE 2

FULL HEARST PLANNING AREA OPTION:
MERGER OF HEARST, EILBER AND DEVITT
AND FIVE UNORGANIZED TOWNSHIPS

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Annexed</u>		<u>Annexed-Existing</u>	
	<u>LRB & PLT</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Millrate</u>	
	<u>or Mun</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>Mun</u>	<u>Total</u>
		\$	\$	\$	\$	\$
Hearst	186	330	126	270	186	330
Eilber & Devitt						
- Permanent Dwelling Unit	82	172	76	165	112	202
- Recreational Dwelling Unit	51	106	47	102	69	125
Way	84	176	73	165	108	200
Hanlan						
- Permanent Dwelling Unit	133	193	47	107	70	130
- Recreational Dwelling Unit	36	104	54	121	79	147
Casgrain						
- Permanent Dwelling Unit	85	183	77	175	115	212
- Recreational Dwelling Unit	45	149	82	187	122	226
Kendall	95	212	93	210	137	255
Lowther	45	114	54	122	80	148

Uncommitted Revenue: \$473,590

TABLE 3

WYBORN OPTION:
ANNEXATION TO THE TOWN OF HEARST
OF LOTS 3-12, CONCESSIONS IX-XII,
WAY TOWNSHIP

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Annexed</u>		<u>Annexed-Existing</u>	
	<u>LRB & PLT</u>				<u>Millrate</u>	
	<u>or Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Hearst	186	330	114	258	186	330
Way	84	190	76	182	124	231

Uncommitted Revenue: \$341,000

C. KAPUSKASING AREA
RECOMMENDATION

The final report recommends that O'Brien township and the south-eastern quarter of Owens township be annexed to Kapuskasing. There is \$1,333,000 in municipal-type assessment in this area - 40% farm and residential and 60% commercial and industrial.

The annexation would result in the dissolution of the Kitigan and West Riverside local roads boards. Since the town would only be assuming three miles of road, the combined 1978 local roads spending of \$6,600 is probably fairly close to what the town's extra spending would be. The road subsidy rate would continue at 50%.

Health care costs were increased at the rate of \$3.78 per capita. The 1978 budgets of the Cochrane District Welfare Administration Board and the Cochrane Homes for the Aged Board were reapportioned among the constituent municipalities taking into account the assessment added to Kapuskasing. There are at present apparently no active welfare cases in Owens or O'Brien townships.

Garbage collection and recreation costs were increased at Kapuskasing's per house-

hold and per capita rates respectively. No increases in general administration or fire protection costs were provided for.

Kapuskasing's resource equalization grant rate would be decreased from 5.7% to 5.4% by the annexation. One mill would raise \$118,536 in the expanded town.

The analysis of the amalgamation of Fauquier Township and Shackleton and Machin Townships shown in Table 5 is a pure tax and grant shift analysis. No attempt has been made to estimate any cost savings that might be possible through the elimination of duplication of staff and equipment.

TABLE 4

KAPUSKASING AREA RECOMMENDATION:
ANNEXATION OF O'BRIEN TOWNSHIP AND
THE SOUTHEASTERN QUARTER OF OWENS
TO THE TOWN OF KAPUSKASING

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Annexed</u>		<u>Annexed-Existing</u>	
	<u>LRB & PLT</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Millrate</u>	
	<u>or Mun</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>Mun</u>	<u>Total</u>
					<u>\$</u>	<u>\$</u>
Kapuskasing	174	386	170	382	174	386
Owens						
- Area inside Local Roads Board	109	247	116	255	123	261
- Area outside Local Roads Board	47	185	116	255	123	261
O'Brien						
- Area inside Local Roads Board	70	232	135	298	143	305
- Area outside Local Roads Board	50	212	135	298	143	305

Uncommitted Revenue: \$48,000

TABLE 5
 FAUQUIER-SHACKLETON AND MACHIN
 AMALGAMATION OPTION
 COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Amalgamated</u>	
	<u>Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>
	\$	\$	\$	\$
Fauquier				
- Permanent Dwelling Unit*	100	247	109	256
- Recreational Dwelling Unit	44	109	48	113
Shackleton & Machin				
- Permanent Dwelling Unit*	109	236	91	219
- Recreational Dwelling Unit	41	90	35	83

* Excludes farms.

D. HAGGART TOWNSHIP
RECOMMENDATION

The final report recommends the annexation of the western fourth of Haggart township (Lots 22-28 and Lot 21, Concession I-III, V-XII) to the Township of Shackleton and Machin and the annexation of the eastern three fourths to the Town of Smooth Rock Falls. This would automatically result in the inclusion of all of Haggart in the area of the Kapuskasing Board of Education. All of the privately owned land in the township is already in the area of the Kapuskasing District Roman Catholic Separate School Board.

There is no local roads board in the part of Haggart going to Shackleton and Machin. The \$6,100 1978 budget of the Departure Lake Local Roads Board would presumably be sufficient to cover the takeover of the Departure Lake Road by Smooth Rock Falls. The Departure Lake Cottagers Association has indicated that it does not want any improvement in road service.

No provision has been made in the analysis for increases in general administration and fire protection costs. Cost increases in respect of other services have been estimated in the same way as elsewhere in the

study.

As will be seen from tables 6 and 7, the recommended annexations would make possible appreciable tax reductions in Smooth Rock Falls and in Shackleton and Machin. Levying the actual 1978 municipal millrates in Haggart would yield new net revenues of \$140,000 and \$36,000 respectively.

The substantial tax increases indicated for the public school supporters in Haggart township reflect the fact that Haggart is not presently part of any board of education area. These figures must be treated with considerable caution, however, because municipal-type assessment values are not available for the properties in question.

An estimate of the total public school taxable residential assessment was arrived at by multiplying the average assessment for separate school residences times the number of residential properties on the provincial land tax roll less the number of properties assessed for separate school purposes. The resulting figure is only meaningful to the extent that the average public school assessment is the same as that for separate school supporters and the number of properties on the provincial land tax roll is correct.

The figures in the tables do not reflect any provision that might be made for phasing in tax increases through transitional adjustments or transitional assistance. If practice in previous Government-supported restructurings were followed, taxes in Haggart would rise to the general municipal rates in Smooth Rock Falls and Shackleton and Machin over five years.

Haggart township would add 2.0% to the Kapuskasing board's elementary school assessment base and 1.38% to its secondary school base. There would be a reduction in the board's millrate for the elementary school section of .195 mills. In the secondary school section, the tax revenue from the new assessment would be outweighed by a loss of grants from the Ministry of Education, resulting in a millrate increase of .13 mills. The net effect on the residents of municipalities and unorganized areas presently under the board's jurisdiction would be an insignificant reduction of .065 mills for public school supporters and an equally insignificant increase of .13 mills for separate school supporters.

TABLE 6

RECOMMENDED ANNEXATION OF LOTS 22-28
AND LOT 21, CONCESSION IV, OF
HAGGART TOWNSHIP TO THE TOWNSHIP OF
SHACKLETON AND MACHIN

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

	<u>Levied in 1978</u>		<u>Annexed</u>		<u>Annexed-Existing</u>	
	<u>LRB & PLT</u>				<u>Millrate</u>	
	<u>Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Shackleton						
Machin						
- Permanent						
Dwelling	108	232P	81	202P	108	229P
Unit*		234S		206S		232S
- Recreational						
Dwelling	41	89P	31	78P	41	88P
Unit		90S		79S		89S
Haggart**	31	31P	64	160P	85	181P
		129S		163S		184S

Uncommitted Revenue: \$30,600

* Includes farm residences.

**Includes farm residences. There are no recreational dwellings in this part of Haggart.

TABLE 7

RECOMMENDED ANNEXATION OF LOTS 1-20
AND LOT 21, CONCESSIONS I-III, V-XII,
HAGGART TOWNSHIP, TO THE TOWN OF SMOOTH ROCK FALLS

COMPARISON OF AVERAGE RESIDENTIAL TAX BURDENS

		<u>Levied in 1978</u>		<u>Annexed</u>	<u>Annexed-Existing</u>	
		<u>LRB & PLT</u>			<u>Millrate</u>	
		<u>or Mun</u>	<u>Total</u>	<u>Mun</u>	<u>Total</u>	<u>Mun</u> <u>Total</u>
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u> <u>\$</u>
Smooth Rock Falls						
- In Service Area	164	315P	329S	131	282P	164 315P 283S 316S
- Outside Service Area	161	312P	326S	128	279P	161 312P 280S 313S
Haggart Departure Lake L.R.B. Area						
- Permanent Dwelling Unit*	65	65P	164S	83	181P	104 202P 182S 204S
- Recreational Dwelling Unit	35	35P	101S	56	121P	70 136P 122S 136S
Haggart - Outside Local Roads Board Area						
- Permanent Dwelling Unit*	31	31P	130S	83	181P	104 202P 182S 204S
- Recreational Dwelling Unit	17	17P	83S	56	121P	70 136P 122S 136S

Uncommitted Revenue: \$140,000

*Includes farm residences.

TABLE 8

MILLRATES FOR BOUNDARY RECOMMENDATIONS AND OPTIONS

	Municipal		Total	
	<u>Res.</u>	<u>Com.</u>	<u>Res.</u>	<u>Com.</u>
<u>Hearst Area</u>				
<u>Recommendation:</u>				
Hearst	11.750	13.730	25.415	28.913
Unorganized	11.750	13.730	26.848	30.505
<u>Hearst Planning</u>				
<u>Area Option:</u>				
Hearst	11.940	14.050	25.606	29.233
Unorganized	11.940	14.050	27.038	30.825
Eilber & Devitt	11.940	14.050	26.124	30.420
<u>Wyborn Option:</u>				
Hearst	10.790	12.690	24.455	27.873
Way	10.790	12.690	25.888	29.465
<u>Kapuskasing Area</u>				
<u>Recommendation:</u>				
Kapuskasing	14.600	17.180	32.840	37.450
Unorganized	14.080	10.500	30.944	35.297
<u>Shackleton-Machin &</u>				
<u>Western 1/4 of Haggart:</u>				
Shackleton-Machin	11.140	13.100P	27.618	31.409
	11.140	13.100S	28.165	32.017
Haggart	11.140	13.100P	27.660	31.456
	11.140	13.100S	28.170	32.022
<u>Smooth Rock Falls &</u>				
<u>Eastern 3/4 of Haggart:</u>				
Smooth Rock Falls				
- outside service				
area	14.320	16.850P	31.299	35.716
	14.320	16.850S	31.411	35.840
- inside service				
area	14.660	17.250P	31.639	36.116
	14.660	17.250S	31.751	36.240
Haggart	14.320	16.850P	31.277	35.691
	14.320	16.850S	31.450	35.883
<u>Shackleton-Machin</u>				
<u>& Fauquier:</u>				
Shackleton-Machin	12.380	14.570	29.690	33.800
Fauquier	12.380	14.570	29.090	33.150

TABLE 9

SCHEDULE OF 1977 FOR 1978
EQUALIZED TAXABLE ASSESSMENT AND ASSESSED POPULATION

	Assessment			Popu- lation
	<u>Res.</u> \$ (000s)	<u>Com.</u> \$ (000s)	<u>Total</u> \$ (000s)	
<u>Hearst Area Recommendation:</u>				
Hearst	16,962	12,353	29,315	5,171
Way	1,817	1,497	3,314	878
Hanlan	595	642	1,237	142
Casgrain	733	81	814	193
Kendall	1,223	1,559	2,782	501
Lowther	352	1,790	2,142	189
	<u>21,682</u>	<u>17,922</u>	<u>39,604</u>	<u>7,074</u>
<u>Hearst Planning Area Option:</u>				
As above	21,682	17,922	39,604	7,074
Eilber & Devitt	2,329	6,560	8,889	1,332
	<u>24,011</u>	<u>24,482</u>	<u>48,493</u>	<u>8,406</u>
<u>Wyborn Option:</u>				
Hearst	16,962	12,353	29,315	5,171
Wyborn	186	5	191	72
Part of Way	792	69	861	334
	<u>17,940</u>	<u>12,427</u>	<u>30,367</u>	<u>5,577</u>
<u>Kapuskasing Area Recommendation:</u>				
Kapuskasing	49,618	64,219	114,837	12,279
Owens	133		133	55
O'Brien	318	682	1,000	116
	<u>50,069</u>	<u>64,901</u>	<u>115,970</u>	<u>12,450</u>
<u>Shackleton-Machin & Western 1/4 of Haggart:</u>				
Shackleton-Machin	1,889	2,478	4,367	891
Haggart	222	559	781	141
	<u>2,111</u>	<u>3,037</u>	<u>5,148</u>	<u>1,032</u>
<u>Eastern 3/4 of Haggart:</u>				
Smooth Rock Falls	6,937	18,094	25,031	2,369
Haggart	362	1,612	1,974	211
	<u>7,299</u>	<u>19,706</u>	<u>27,005</u>	<u>2,580</u>
<u>Shackleton-Machin & Fauquier:</u>				
Shackleton-Machin	1,889	2,478	4,367	891
Fauquier	5,356	2,992	8,348	1,448
	<u>7,245</u>	<u>5,470</u>	<u>12,715</u>	<u>2,339</u>

Source: Ministry of Revenue

TABLE 10

ESTIMATE OF ADDITIONAL MUNICIPAL ROAD EXPENDITURE
 RESULTING FROM RECOMMENDED ANNEXATION
 OF FIVE GEOGRAPHIC TOWNSHIPS TO HEARST
 ASSUMING ALL NEW EQUIPMENT

<u>Revenue Fund</u>	\$	\$
Materials		<u>31,500</u>
Wages:		
1 Foreman	21,500	
2 Labourers	36,500	
2 Equipment Operators	40,500	
	<u>98,500</u>	<u>98,500</u>
Equipment Debt Repayment (see below)		<u>150,000</u>
		<u>280,000</u>
<u>Capital Fund</u>		\$
1 Champion Grader 740 s/wing Dozer Blade & V/Plow & P/Shift		87,000
1 Champion Grader 740 w/wing Dozer Blade & Powershift		83,000
2 Single Axle Plows w/12' Box and Wing Ford 850 (28,000 each)		56,000
1 Crew Cab P/Steering with 4 speed trans.		8,000
1 Pick up w/Power Steering		6,500
1 4 Ton Truck with Racks and Hoist		13,000
1 Case Backhoe 780 (included Govt. Discount)		50,000
1 Teepee Style Sand Shet Approx.		40,000
Prefab Garage 80 x 40 Approx.		100,000
1 Tandem 12 yd Sander		35,000
1 Portable Boiler		<u>8,000</u>
		<u>486,500</u>

Source: Town of Hearst

APPENDIX B

ANALYSIS OF SOME
HYPOTHETICAL SERVICING
ARRANGEMENTS FOR WYBORN

P. Joseph
Project Manager
Project Co-ordination
Branch
Ministry of the
Environment
March 20, 1979

This report has been prepared in response to a request of February 22, 1979, from the Ministry of Intergovernmental Affairs for a preliminary investigation of servicing the community of Wyborn.

The work is hypothetical in nature as the community is at present unorganized and no request has been made for servicing. Until a request is made and the problems are identified, the Ministry of the Environment would not have any involvement in the servicing of the community.

Four alternatives were considered regarding sewage service. The first was the communal service described in the August 1975 report prepared for the Town of Hearst by Northland Engineering Ltd. This would consist of a pumping station in Wyborn and a forcemain and gravity sewer running approximately 500 feet

north of the Mattawishkia River and connecting to the existing sewer on West Street. There would be provision for a connected population of 900.

The second sewerage alternative was a communal service with a pumping station located in the community of Wyborn and a forcemain running parallel and adjacent to the Algoma Central Railway tracks. The forcemain would connect to a proposed trunk sewer constructed by the town on Highway 11. The potential connected population would be 200.

The third sewerage alternative was the upgrading of private systems to serve the existing 35 homes. This would be the least costly approach. It cannot be fully investigated at the present stage because an examination of the existing sewerage system and soil conditions is needed. For estimation purposes, the assumption was made that raised tile beds with effluent pumping from the septic tank would be required.

A communal system with a local treatment facility was the fourth sewerage option considered. This proved not to be viable because of the cost of operation.

It should be noted that some of the existing trunk sewers in the Town of Hearst would have to be upgraded before any additional services are added. However, as the town is proposing extensions of the trunk sewer along Highway 11, the town would need to upgrade the trunk sewers irrespective of whether the sewage was added from Wyborn.

Two schemes were considered for providing water services to Wyborn. The first would be a watermain laid parallel

to the sewer in the first sewerage alternative. The second would be a watermain laid parallel to the sewer in the second sewerage alternative.

The approximate 1979 costs and the possible distribution of costs for each alternative are shown in the table below. The figures are estimates only and not Ministry commitments in any way. Ministry approval for the projects would have to be obtained before any grant would apply.

Scheme	Gross Capital Cost (1979)	Community Services Grant	Provincial Grant	Municipal Cost	Operating Cost
	\$	\$	\$	\$	\$
#1 Sew.	300,000	50,000	170,000	80,000	1,000
#2 Sew.	240,000	40,000	130,000	70,000	1,200
#3 Sew.	120,000	NIL	90,000	30,000	NIL
#1 Wat.	225,000	20,000	140,000	56,000	500
#2 Wat.	200,000	NIL	151,000	49,000	500



Ontario

APPENDIX C

Ministry of
Transportation and
Communications

P. O. Bag 5000,
Cochrane, Ontario.
POL ICO
May 11, 1978

Mr. F. Nicholson,
Policy Advisor,
Local Government Organization
Branch,
Ministry of Treasury Economics
& Intergovernmental Affairs,
Queen's Park,
TORONTO, Ontario.

Dear Mr. Nicholson:

Re: Local Government Study Interim Report
Smooth Rock Falls to Hearst

H-5 - Merger of all of the unorganized parts of the Hearst planning area etc.

Summer:

At present it requires two graders, one travelette truck and a four ton stake truck on a full time basis to maintain the Local Roads Boards in the Hearst area. The staff employed is a supervisor and labour foreman full time with a part-time labourer and clerk.

Bridge repairs, ditching projects outside the financial capabilities of the Boards are carried out in the summer by the M.T.C. bridge crew or the hiring of equipment as necessary.

Granular material is placed on various roads by tender each summer. Also, some areas receive liquid calcium chloride.

Winter:

Two plows work full time on Local Roads Boards snow plowing. One grader is used approximately two days per week in addition to the plows for ice blading and emergency plowing. A travelette truck is also required full time. On occasion a bulldozer is hired to open roads.

Staff employed full time is a supervisor and a labour foreman. Equipment operators, wing men, etc., are from the maintenance section.

Ministry of Treasury Economics & Intergovernmental Affairs
 Page 2
 May 11, 1978

H-5 - Spring:

A steam boiler and two labourers are usually required for about two weeks defrosting culverts, etc. Men and equipment are obtained from the maintenance section. One backhoe is usually hired for about two weeks in the spring to open ditches, etc.

H-3 - Merger of the southern part of Hanlan Township (Ryland) and the northern part of Kendall (Hallebourg) with the Town of Hearst.

This area could most probably be maintained using one truck for snow plowing in the winter and one grader for maintenance in the summer.

Removing this area from the present number of Local Roads Boards in the Hearst area would reduce our equipment requirements by a similar amount.

West Riverside and Kitigan Local Roads Boards becoming Part of Kapuskasing -

People in the area should benefit if becoming part of the Town of Kapuskasing.

West Riverside (Larabie Road):

Snow plowing and summer grading are carried out by the Town of Kapuskasing on a recoverable basis from M.T.C. M.T.C. carries out the normal work such as: ditching, culverts, gravelling with our forces, rented equipment on contracts as required.

Kitigan Local Roads Board:

M.T.C. carries out plowing and grading in the main, however, on some occasions, M.T.C. equipment is not available and it is necessary to hire local equipment. Local equipment is not always available.

Departure Lake Local Roads Board becoming Part of Smooth Rock Falls.

Cost of Maintaining Roads in Departure Lake Local Roads Board and Equipment Used. The Board maintains 6.0 miles of road.

Grading:

Through the summer months the Board usually has the roads graded at least once every two weeks or sooner if required. Grading is done by a hired grader rented from Cloutier Brothers, a local contractor. Average cost for each grading is approximately \$140.00. Abitibi Paper Company and contractors using road to haul material from gravel pits in the area also grade the road occasionally at no cost to the Board.

Ministry of Treasury Economics & Intergovernmental Affairs
Page 3
May 11, 1978

Departure Lake Local Roads Board (Continued)

Resurfacing:

Up until last year, the Board was using pit run gravel obtained from local contractors. Last year, they used crushed gravel (300 cu. yds.) which cost \$4.58 per yard, laid down from M. J. Labelle Co. Ltd.

Abitibi Paper Co. also placed some pit run gravel on the roads free of charge as well as contractors working on M.T.C. contract who were using the road to haul material from the gravel pits in the area.

Dust Laying:

The Board has been putting down calcium chloride on their roads for the last four years. In the last two years, they have been using liquid calcium chloride, approximately 38 liquid tons each year. Cost for this in 1977 was \$64.52 per ton laid down.

Ditching:

The Board uses local rented equipment for this when required. There is very little ditching that remains to be done at this time.

Snowplowing:

The Board plows approximately 1,000 feet of road for permanent residents who live just in off Highway 11; plowing is done by M.T.C. plow from Smooth Rock Falls patrol. In the spring, the Board has a local contractor open the remainder of the roads for the cottagers usually with a bulldozer.

Total maintenance cost per year is between \$5,500.00 and \$6,000.00. Cost per mile would be approximately \$900.00 to \$1,000.00.


Amalgamation of Fauquier and Shackleton & Machin Townships:

Fauquier will purchase a new grader to replace sixteen-year old machine this year and Shackleton & Machin will purchase a new combination Backhoe-Loader to replace old and inadequate machine this year providing supplementary money is available.

I trust that this is the information you require. If any further advice is needed, please do not hesitate to call.

Yours truly,

AEP/bk


A. E. Pettigrew,
District Engineer,
District 16 Cochrane.

APPENDIX DLIST OF COUNCILS, ORGANIZATIONS AND INDIVIDUALS
SUBMITTING BRIEFS IN RESPONSE TO THE INTERIM REPORT

1. Mayor of the Town of Hearst
2. Council of the United Townships of Eilber & Devitt
3. Council of the Township of Owens, Williamson and Idington
4. Council of the Town of Kapuskasing
5. Council of the Township of Fauquier
6. Council of the United Townships of Shackleton and Machin
7. Council of the Town of Smooth Rock Falls
8. Cochrane District Homes for the Aged Board of Management
9. Jogues Citizens Committee
10. West Riverside Local Roads Board Electors
11. Departure Lake Cottage Owners Association
12. Patricia and Andre Mainville

